

Chapter 6.0

Housing

6.1 introduction, Vision, and Planning Context

VISION

*Housing in the 'Central Area has been a focus of **community** concern for many years. Balancing the desire of the local **community** to preserve the **current** fabric, and culture of the Central Area — and a strong urge to resist the forces of **gentrification** — with its desire to improve its housing stock and its general economy is **fraught** with political, racial and cultural impacts.*

*It is tempting — in the face of **community** ambivalence, the **intensity** of human feelings, as well as the sense of hopelessness that pervades many elements of the **community** as they watch their **community** change — to leave the housing element **plan** at the level of **broad platitudes** and let the market take its course. This was not the course chosen by the **community** in this plan.*

*While admitting that the economic forces at work **are** beyond controlling, the plan pro-actively focuses on strategies to mitigate the pain **suffered** by existing residents by linking them with more options for assistance, while leveraging economic factors for a better, broader array of housing options that help build a sense of community pride and involvement at the same time as building the lives of the individuals who inhabit them.*

*The Central Area **community** — which has often been at odds with government strategies that have been seen as detrimental to the neighborhood — is taking charge of the housing issue by assigning roles to **community** organizations, **financial** institutions, and community volunteers to implement each part of the strategy. By partnering with **funders**, organizing an annual housing summit to check progress, and getting commitments for city resources to organize the **implementation** of the **plan**, the Central Area hopes to take charge of their **housing future**.*

PLANNING CONTEXT

Past. The **Central** Area has seen several population shifts **in the** course of its housing history. It has several landmark structures relating to its history **as an** early concentration of African Americans **in the** **Puget** Sound region, which the community would like to see honored and preserved. After **serving** as a home to **immigrant communities**, and the Jewish Community through the early half of the century, it returned to a distinctly African American **community** after World War II.

As late as 1960, the Central Area was over 50% owner occupied and predominantly single-family structures. Today, owner-occupancy is estimated at 37% and is projected to drop further, barring intervention. This is believed by many in the community as a principle reason for the perceived decline the condition of housing stock, an impetus for a recent Housing Condition Analysis study. Because of relatively inexpensive land and a perception of community need, the Central Area through the 60's, 70's, and 80's, also became a frequent location for subsidized housing projects. Because of community complaints about becoming a "dumping ground" for city services and low-income housing, the Central Area in the late 1980's was designated a Special Objective Area, preventing the further construction of subsidized low-income housing using city funds unless the project obtained prior community approval. This policy continues today, with exceptions for home ownership and housing renovation.

Present. In addition to Comprehensive Plan goals cited in the Housing Profile, several critical factors emerged through the community process and analysis leading to the plan that relate to special conditions and opportunities in the Central Area. Concerns were raised about class and racial composition changes in the community as new housing was built. The community endorsed the "urban village" strategy, welcoming it as a way to get business districts with more vitality.

At the same time, neighborhood residents are particularly concerned with the rapid decline in home-ownership and wanted to increase the ownership rate with innovative home styles and ownership programs. It was felt that 'mixed-use development projects favored by the urban village strategy should not be relied on to provide significant ownership-type options, since rental housing was more typical in such projects. Other housing options — such as residential small lot options — were welcomed throughout the neighborhood to supplement the urban village strategy with more realistic ownership options.

Community concerns are reinforced by statistics. Chief among these is the rapid rise in rental rates and home prices (over 300% in the last six years), the decline in housing availability (rental vacancy is at 3.4%) and the increase in average household incomes (from 65% of median to 82% of median) over just the last six years. At the same time, only about one-third (37%) of the units within the Special Objective Area in 1990 were owner-occupied. About one-third (31%) were subsidized units. Nearly one-third (28%) of the single-family homes were rental units.

These facts presented the Central Area with a dilemma: improve housing stock or address gentrification. It decided it could do both, and the plan reflects that. optimism.

Future. The economic forces driving the housing market are expected to continue for at least five years, which means that strong influences on community change will continue unabated. Housing production, at a standstill in the late 80's, has significantly picked up with the priming by HomeSight and CADA. New appraisal methods and increasing acceptance of the Central Area as a renovating neighborhood, coupled with plentiful vacant and underutilized land should keep the housing development market active during those years. Still, housing prices can be expected to continue their increase in the Central Area over the next few years. As a near-to-downtown neighborhood it is likely to become increasingly desirable. Availability to meet all the

expected *range* of housing demand is not anticipated without regulatory or financial intervention. In **particular**, low-income, existing residents on fixed-incomes face tremendous pressure to move out. And new opportunities are not foreseen for moderate-income families.

CAAP housing strategies are intended to remedy the potential shortcomings of the market by prioritizing increasing ownership, **linkage** with existing programs, a variety of housing types for different kinds of housing needs, and new pro-active production strategies.

UNRESOLVED / PENDING ISSUES

The **key** unresolved issue is whether the housing plan is currently, or will, in the future **remain**, adequate to address both ends of the housing conundrum in the Central Area: **balance** the forces of gentrification and the **desire** for neighborhood improvement. The Housing section of the plan, **while** receiving favorable response, was the **least** favorable of all the plan elements when the community was asked for input. The plan has been redrawn *to* better meet these needs, but the expectation is that these forces and the community reaction to them will continue to alter radical] y, as the composition of the community changes for several years to come. For this reason, we have built into the implementation strategy an annual housing summit to evaluate the effectiveness of certain programs and to “take the temperature” of **the** community for possible changes and alterations to the plan.

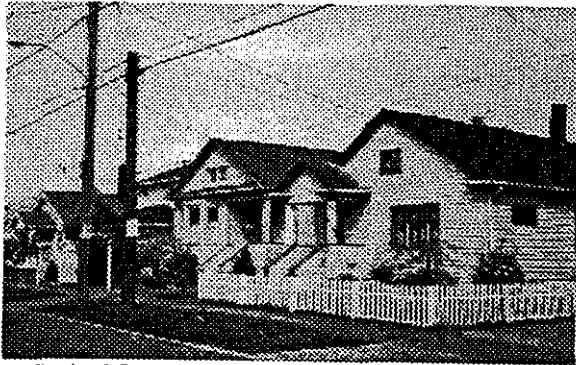
6.2 Overall Housing Goals and Strategies

Because of past history, and continuing need in the **Central** Area, effective housing strategies that appropriately meet **community expectations** to improve **the** neighborhood without *causing* extensive **gentrification**, are **difficult** to achieve. Existing housing strategies and new ones should be monitored and judged for effectiveness over time by the following criteria. **All** housing **strategies** should support the **following** goals for both the individual and the community:

- Encourage Stability
- Increase safety
- Build **community**
- Provide a long-term link to the community
- Have **control** over future
- Promote upward housing mobility
- Foster community **responsibility/mentorship**
- **Link** to other services at the level needed.



▲ New Single family home in Squire Park



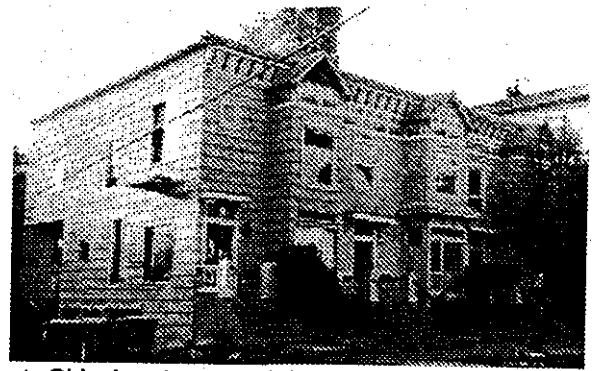
▲ Typical Central Area single family neighborhood



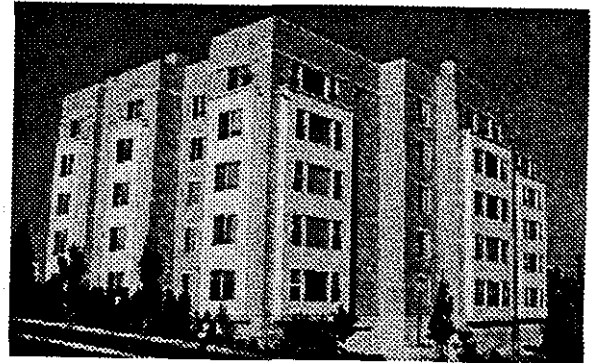
▲ Pine Street Cottages bungalow/cluster housing



▲ Higher density infill adjacent to single family home



▲ Older townhomes in 12th Avenue Urban Village



▲ High density midrise in Spruce Park neighborhood



▲ Older high density apartments in Madison-Miller



▲ New rowhouses on 23rd south of Jackson

CENTRAL AREA

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Figure 22
Central Area
Housing Types

'INSERT FIGURE 23, Examples of Housing Options

6.3 Mitigate Impacts of Gentrification

- ACTION** Mitigate the adverse impacts of an increasing free market in housing on existing moderate and low-income residents (i.e. the impacts of spiraling housing costs and property taxes (**gentrification**)).
- H-6.3.1 Ownership Assistance Programs.** Develop a range of ownership assistance programs to help create opportunities for low and moderate income residents to be able to afford or **maintain** ownership of their residences.
- H-6.3.2 Rental to Ownership Assistance.** Enable qualified tenants **of** assisted-rend housing, and existing residents who are renting housing to achieve an ownership stake in their own residence, Encourage Seattle Housing Authority to develop programs for home-ownership for **people** who have lived in a unit for more than four years.
- H-6.3.3A Accessory Dwelling Unit Development.** **Partner** with the **City** to support an assistance program for existing residents to develop Accessory Dwelling Units (ADUS or mother-in-law Apartments) in their own homes.
- H-6.3.3B Accessory Dwelling Unit Development.** Consider allowing detached Accessory Dwellings (such as carriage houses or alley houses) inside urban village boundaries.
- H-6.3.4 Tax Abatement. Enact** a pilot tax-abatement program with **the** City to reduce real estate taxes for low-income homeowners and those on fixed income.
- H-6.3.5 Shared Equity Housing.** Work with the city, employers, churches and other philanthropic organizations to develop an “Equity **Partnership** Investment Program” to share housing ownership and equity with moderate and low-income working residents.
- H-6.3.6 Co-Oping.** Strongly **support** trends toward **co-oping** of subsidized rental. **apartment** complexes, linking with **local and** national organizations. Develop a program of renovation assistance for **co-oping**. Challenge financial institutions to **develop** a **loan** pool for tenant-owned apartment buildings. At the same time, protecting tenants from displacement during **co-oping** is important.

6.4 Increase Homeownership

ACTION Assistance Programs. Develop a range of assistance programs to help make potential recipients aware of programs and opportunities to assist in rental housing for low and moderate income residents.

H-6.4.1A Marketing Central Area Housing. Implement an area wide identification and marketing and outreach **program** to *make* potential recipients aware of the range of programs available for both **rental** and ownership assistance and provide resistance in accessing programs. Encourage the City and firnding agencies to continue to provide adequate funding support for existing **programs**.

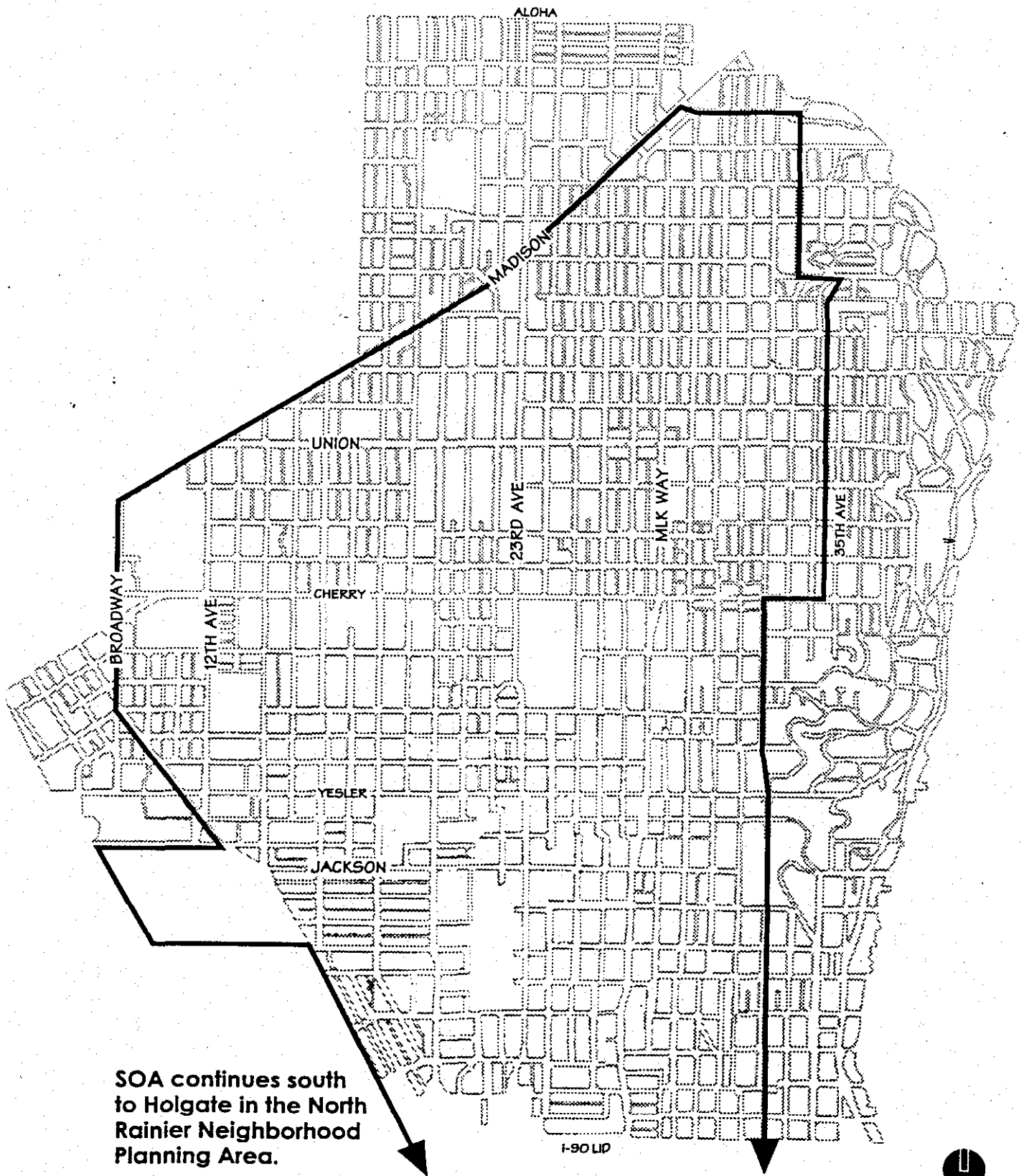
H-6.4.1 B Renter Assistance Programs. Develop, explore, encourage; and make accessible “new renter assistance programs in the community, including

- Mutual housing (tenant managed)
- **Inclusionary** zoning
 - Requirements (where city money is involved) or incentives, including density incentives, for low and low-moderate rental multi-family unit construction using a neighborhood design review process.
 - Where legislative and legal obstacles prevent community-favored action, develop a legislative action strategy to change state law.
 - Mitigate the adverse **impacts** of **an** increasing free **market in housing on existing** moderate and low-income **residents** (i.e. the impacts of spiraling housing costs and property taxes (**gentrification**)).

ACTION Middle-Class Owner Occupancy. Develop a range of housing strategies that accommodate the revitalization of Central Area income base by encouraging development middle class owner-occupied housing, but also balance this goal with Goal 1

H-6.4.2A Market Rate Housing. Support and sustain the free market for housing development in **all** areas of the Central Area.

H-6.4.2B Special Objective Area (refer to Figure 24). Maintain the current map boundaries and designation of Special Objective Area (SOA) that limits development of city government-subsidized rental housing. However, maintain and increase the subsidized **homeownership** and rehabilitation exception under the SOA. Allow other **exceptions** to the SOA only **on** the basis that they strongly support the housing criteria and *other goals* of the Plan, and the adjacent “communities strongly support them.



CENTRAL AREA

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Figure 24
Central Area Housing
Special Objectives Area

H-6.4.2C Housing Demonstration Projects. Work with developers, landowners and bankers to develop housing projects working under the Central Area Design Guidelines, and to help **streamline** the permit processes for such projects.

ACTION Self-Help Homeownership. Build& expand on successes of self-help home ownership programs.

H-6.4.3A Housing by the Community for the” Community. Continue, support and expand the efforts of religious, non-profit and other community **partners** to provide sweat-equity or other housing assistance programs to help develop and market ownership housing to local residents.

H-6.4.3B CADA & HomeSight. The Central Area Development Association will work with the HomeSight program to extend the positive impact of that program in the *Central Area*, and to expand it to include more multi-family ownership options such as townhouses, condominiums, and bungalows.

H-6.4.4 Funding Support for CADA as Housing Implementor. Provide annual city resources to CADA for a staff position to pro-actively pursue implementation of CAAP Housing Goals and Strategies.

6.5 Make Information & Programs Accessible

ACTION Increase community **awareness** of existing housing resources and programs, as well as **individual** opportunities for housing trade, sharing or other special opportunities

H-6.5.1 Develop/expand a central Housing Information” Exchange Resource.

H-6.5.2 Housing Resource Center. Work with non-profits, banka, realtors developers, **landowners**, and the city to consolidate **all** local housing program information in the a single Housing Resource Center, located in the neighborhood, and **make** it **available** electronically as well.

H-6.5.3 Community Barter Board. Incorporate a “Community Barter Board” in the Resource Center for unique opportunities for housing exchange and special options for **local** residents.

- H-6.5.4 Annual Housing Summit.** Sponsor an **annual** housing summit to look at emerging trends and solutions, and get the community and its institutions (including churches) organized around specific strategies to **meet** local housing needs, including monitoring current strategies and projects, and using specific examples to increase ability to meet housing challenges.

6.6 Encourage Market Rate Housing

ACTION Moderate Income Housing. Encourage development of **market-rate** housing affordable to families of modest or moderate incomes. (80 - 120% of median)

- H-6.6.1 Market-Rate Housing Policy.** Develop and supplement existing programs and policies into an overall market-rate **housing** policy that will compensate for gaps in what the unfettered housing **market** can provide

- H-6.6.2 CDC-Private Sector Partnerships.** Identify Community Development Corporations to partner with private developers to develop housing designed and priced for specific demographic ranges desired by the community.

- H-6.6.3 Design Competition for Innovative Low-Cost Housing.** Hold a design workshop with developers, realtors, designers, **architects** and contractors working with homeowners and the community to develop innovative, low cost solutions that fit the neighborhood, and to study new technologies that may lower construction costs, and increase the quality of materials

- H-6.6.4 Capping of Housing Costs.** Establish upper price caps on “**Equity Partners**” program to encourage housing units costing no more than **120%** of the FHA maximum home sale price, or an amount deemed, after study to cover the needs of moderate income working families

ACTION Access to Capital. Work with banks, appraisers, and realtors to provide more reliable access to loans and capital for **innovative**, moderate-priced housing..

- H-6.6.5A Changing Lending Practices.** Advocate for changes to FNMA, and appraisal and lending practices of financial institutions to provide more flexible options for mortgage **financing**, and remove barriers to home-ownership and renovation **loans** for local residents.

- H-6.6.5B Pilot Projects.** **Work with** banks, developers, employers and others to develop pilot projects, **as well as** mortgage financing, savings matching funds, and other instruments for new or innovative housing types and styles.

H-6.6.5C Community Reinvestment Act Roundtable. Convene a Community Reinvestment Act Roundtable (including CAAP Housing Steward, Fannie Mae) to develop consistent and most effective practices for “portfolio” loans and appraisal practices for innovative housing types and to accomplish CAAP housing goals. This would include post-purchase counseling

ACTION Tools for Moderate-Cost, Owner-Occupied Housing. Use zoning and community/design review and negotiation to encourage flexible, higher-density land uses, and streamline permitting processes, in order to secure cost-savings that are passed on as moderate priced, owner-occupancy residential development

H-6.6.6 Pilot Project. Authorize a pilot project for a Community Design Review process that provides flexibility of development standards for developers meeting the design and housing goals of the CAAP, and which will apply to projects that do not currently reach thresholds for the city’s official Design Review Process. Pilot project should include a focus on home ownership or cooping an apartment

H-6.6.7 Creative Parking Solutions. Evaluate shared/reduced parking requirements and other parking flexibility to reduce costs of construction, pending an evaluation of community impacts, and establish agreements in such projects that savings will be passed onto consumers.

H-6.6.8 Zoning Amendments. Increase zoning designations in some areas to accommodate greater densities, to recognize existing densities, or to provide greater housing density around commercial districts, after a community process and approval for such changes.

H-6.6.9 Residential Small Lot Potential. Support zoning within the urban village boundaries for bungalow courts, small lot zoning, and tandem housing, & long as single-family design styles are maintained.

6.7 Support For Seniors

ACTION Develop housing programs that support independence for the Central Area’s elder population.

H-6.7.1 Age Integration. Support housing services that encourage age integration.

H-6.7.2 Maintenance/Repair. Enhance existing home maintenance and repair programs.

H-6.7.3 Financial Support. Target financial support to elderly homeowners.

H-6.7.4 Zoning Amendments. ~~Change~~ zoning in some ~~areas~~ to promote smaller ~~residential~~ options such as bungalow courts, ~~ADUs~~, tandem housing, ~~and~~ small lot zoning.

H-6.7.5 Assisted-living Housing Development. Encourage and assist development of , senior housing including elderly assisted group living arrangements, ~~with~~ community review and ~~approval~~, ~~and~~ appropriate zoning to make ~~it~~ feasible in the neighborhood.

6.8 Promotion Of Diversity

ACTION Promote and preserve racial, cultural, and economic diversity in the Central Area.

H-6.8.1 Retention of Existing Residential Population Diversity. To the extent ~~possible~~, focus housing assistance programs, home-ownership assistance, ~~rehab~~ options and other measures on current residents in existing housing stock in order to provide them with ~~viable~~ options for staying in the Central Area. ~~Market~~ rate housing strategies can be accomplished largely through creation of new housing.

6.9 Improved Maintenance

ACTION Improve the condition of existing housing.

H-6.9.1 Expand public and private programs that support owner occupancy.

H-6.9.2 Improve livability by improving maintenance, correcting code violations, and undertaking long-term prevention measures.

H-6.9.3 Improve rental housing maintenance.

H-6.9.4 Undertake a follow-up analysis of the housing condition analysis to **identify** properties in poor condition, and work with DCLU and housing agencies to provide follow-up maintenance assistance or code enforcement where necessary.

H-6.9.5 Advocate for improved code enforcement in the Central Area.